

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 3882 - HB 3729**

March 4, 2010

**SUMMARY OF BILL:** Authorizes the allocation of incremental tax revenue generated in Shelby County for debt service to the Pyramid and the Cook Convention Center.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – The fiscal impact of this bill is dependent upon multiple unknown factors. As a result, a precise fiscal estimate cannot be determined. If a qualified public-use facility is constructed, or an existing qualified public-use facility is converted for a different public-use, regardless of the outcome of this legislation, then state sales tax revenue would decrease by an unknown amount dependent upon the extent of future taxable sales occurring at the public-use facilities. If the construction or conversion of any qualified public-use facility is contingent upon the passage of this legislation, then the state would forgo an unknown amount of state sales tax revenue dependent upon the extent of future taxable sales occurring at the public-use facilities. Any decreased or forgone state sales tax revenue would result in a corresponding increase to local government revenue. Once received by the respective local government, the funds would be earmarked exclusively for the retiring of debt incurred for the construction or conversion of the qualified public-use facility. While a precise fiscal estimate cannot be determined, it is reasonable to anticipate the decrease or forgone state revenue, and the corresponding increase to local government revenue, to exceed \$1,000,000 per year.**

**Assumptions:**

- The fiscal impact of this bill is dependent on several unknown factors including the extent of future taxable sales that will occur on the premises once such projects are complete, and whether or not construction is contingent upon the passage of this legislation.
- According to the Department of Revenue, Shelby County could benefit at the expense of the state by an unknown amount estimated to exceed \$1,000,000 per year.
- Only incremental tax revenue from the Pyramid and Cook Convention Center will be appropriated to Shelby County.

- Additional staff time or accounting modifications will not be significant and can be accommodated within existing resources without an increased appropriation or reduced reversion.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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